



ASSESSMENT REVIEW BOARD

MAIN FLOOR CITY HALL
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NOTICE OF DECISION NO. 0098 447/10

Altus Group Ltd
17327 - 106A Avenue
Edmonton AB T5S 1M7

The City of Edmonton
Assessment and Taxation Branch
600 Chancery Hall
3 Sir Winston Churchill Square
Edmonton AB T5J 2C3

This is a decision of the Composite Assessment Review Board (CARB) from a hearing held between August 23 and October 21, 2010 respecting a complaint for:

Roll Number 8480063	Municipal Address 4920 99 Street NW	Legal Description Plan: 4187RS Block: 1 Lot: 3
Assessed Value \$3,205,000	Assessment Type Annual - New	Assessment Notice for: 2010

Before:

Tom Robert, Presiding Officer
Dale Doan, Board Member
Mary Sheldon, Board Member

Board Officer:

Segun Kaffo

Persons Appearing: Complainant

Walid Melhem

Persons Appearing: Respondent

Stephen Leroux, Assessor
Cameron Ashmore, Law Branch

PROCEDURAL MATTERS

Upon questioning by the Presiding Officer, the parties indicated no objection to the composition of the Board. In addition, the Board members indicated no bias with respect to the file.

All parties giving evidence during the proceedings were sworn by the Board Officer.

PRELIMINARY MATTERS

The parties agreed that all evidence, submissions and argument on Roll # 8480097 would be carried forward to this file to the extent that matters were relevant to this file. In particular, the Complainant chose not to pursue arguments with respect to the evidence he had provided regarding the income approach to value.

The Complainant and the Respondent presented to the Board differing time adjustment figures for industrial warehouses based on the Complainant's submission that some data used in the preparation of the Respondent's time adjustment model was faulty. The Board reviewed the data from the Complainant used in the preparation of his time adjustment figures and was of the opinion that the data used was somewhat questionable (Exhibit C-2). In any event, the differences between the time adjustment charts used by the parties for industrial warehouses were small and in many cases of little significance. Therefore, the Board has accepted the time adjustment figures used by the Respondent.

BACKGROUND

The subject is an industrial warehouse built in 1971 and located in the Papaschase Industrial subdivision of the City of Edmonton. The property has a total building size of 24,995 square feet with 33% site coverage.

ISSUES

The Complainant had attached a schedule listing numerous issues to the complaint form. However, most of those issues had been abandoned and the issues left to be decided were as follows:

- Based on comparable sales, is the assessment deemed to be reflective of market value?
- Is the assessment of the subject fair and equitable when compared to the assessments of comparable properties?

LEGISLATION

The Municipal Government Act, R.S.A. 2000, c. M-26;

s.467(1) An assessment review board may, with respect to any matter referred to in section 460(5), make a change to an assessment roll or tax roll or decide that no change is required.

s.467(3) An assessment review board must not alter any assessment that is fair and equitable, taking into consideration

- a) the valuation and other standards set out in the regulations,*
- b) the procedures set out in the regulations, and*
- c) the assessments of similar property or businesses in the same municipality.*

POSITION OF THE COMPLAINANT

In support of his position that the assessment of the subject is not reflective of market value, the Complainant provided a chart of sales of similar properties (C-3j, page 12). This chart consisted of five sales of comparable properties and showed an average time adjusted sale price of \$101.44 per sq. ft. The Complainant compared this to the assessment of the subject at \$128.23 per sq. ft.

The Complainant also produced a chart of four equity comparables, in support of his position that the assessment of the subject was not fair and equitable, when compared with the assessments of similar properties (C-3j, page 14). These four equity comparables showed an average assessment of \$108.05 per sq. ft. which is lower than the assessment of the subject. During discussion, it was noted that equity comparable # 4 was actually the subject property and it was therefore deleted from the chart of equity comparables.

The Complainant applied the average time adjusted sale price per sq. ft. of his four sales comparables to the subject and obtained a value of \$2,535,000. He requested that the Board reduce the assessment of the subject to this figure.

POSITION OF THE RESPONDENT

The Respondent argued that the assessment of the subject was fair and equitable. In support of his position, he supplied a chart of ten sales comparables (R-3j, page 17). This showed a range of time adjusted values from \$114.29 to \$170.77 per sq. ft. He stated that the assessment of the subject at \$128.22 per sq. ft. was within this range.

In further support of his position, the Respondent supplied a chart of the assessments of properties similar to the subject (R-3j, page 29). While these equity comparables showed a range in site coverage, and age, he submitted that the closest comparable to the subject would be # 6 on the chart which showed an assessment almost identical to that of the subject.

The Respondent asked the Board to confirm the assessment of the subject at \$3,205,000.

DECISION

The Board's decision is to confirm the assessment of the subject at \$3,205,000.

REASONS FOR THE DECISION

With respect to the five sales comparables presented by the Complainant, the Board notes that comparable # 2 is an interior lot, and therefore in an inferior location to the subject which is located on a major roadway. The Board also notes that the Complainant's sales comparable # 5 involved sales transaction in which the price of a new roof was built in. The Complainant's sales comparables # 1 and # 4 also have differences in location, age and size. All these factors would affect value and make these sales comparables of less assistance in establishing value for the subject.

The Board is of the opinion that taking the average time adjusted sale price per sq. ft. of the Complainant's sales comparables as the indicator of value to be applied to the subject is flawed, since the comparables differ in many respects such as size, age and site coverage.

Of the four equity comparables presented by the Complainant, the Board accepts that one is not on a major roadway, while # 2 and # 3 have differences in size and site coverage, which may account for the lower assessment values per sq. ft.

The Board is of the opinion that the question of the data used in the preparation of the time adjustment models for the Complainant and the Respondent is of little consequence since the differences are small.

The Board notes that the Respondent's equity comparable # 4 is very similar to the subject and is located on a major roadway, as is the subject, but is assessed somewhat lower than the subject, lending support to the Respondent's submission that the assessment for the subject is fair and equitable.

It is the Complainant's responsibility to prove that the assessment for the subject is not correct. The Board concludes that the Complainant failed to do so based on the direct sales and equity comparable evidence he provided.

Therefore, the Board concludes that the assessment of the subject at \$3,205,000 should be confirmed.

DISSENTING OPINION AND REASONS

There was no dissenting opinion.

Dated this 10th day of November, 2010, at the City of Edmonton, in the Province of Alberta.

Presiding Officer

This Decision may be appealed to the Court of Queen's Bench on a question of law or jurisdiction, pursuant to Section 470(1) of the Municipal Government Act, R.S.A. 2000, c.M-26.

CC: Municipal Government Board
Baramy Investments Ltd.